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OUTLINE OF CONDITIONS IN THE TRUST TERRITORY OF THE PACIFIC ISLANDS

Working paper prepared by the Secretariat

Note: In accordance with the decision taken by the Trusteeship Council at its 319th meeting on 5 February 1951 on the form of its future reports, the Secretariat has prepared the following working paper as a preliminary draft of a chapter of the next report of the Trusteeship Council to the Security Council. In accordance with the same decision, each sub-section of the draft will be completed by such additional factual information as may become available during the Council's examination of the report and by such observations and recommendations as the Council may wish to include.

/I. GENERAL
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I. GENERAL

Land and People

The Trust Territory of the Pacific Islands consists of three groups of Micronesian Islands: the Marshalls, Carolines, and Marianas with the exception of Guam. The Territory, containing 96 distinct island units with a combined land area of about 687 square miles, stretches from latitude 1° to 20° north and from longitude 130° to 170° east, covering some 3,000,000 square miles. The islands are classified broadly as high volcanic or low coral islands. Much of the soil is of low fertility, thin and susceptible to erosion.

The climate of the Territory is tropical with small seasonal changes and mean annual temperatures averaging about 70° to 80° F. and a generally high humidity. Rainfall is generally heavy, particularly in the Carolines and southern Marshall Islands.

On 30 June 1950, the indigenous population totalled 54,299, three-fifths of which live on the six principal islands units: Saipan, the Palaus, Yap, Truk, Ponape, and Majuro; the remainder are widely scattered. There are no incorporated cities or towns in the Territory.

The inhabitants are divided into a number of regional and local groupings differing more or less widely in physical characteristics, language and customs. The greatest disparity among the people exists linguistically. Eight individual languages are spoken within the Territory and most of these are sub-divided into distinctive local dialects.

General considerations

Some of the consequences of these conditions are stressed in the report of the United Nations Visiting Mission to Trust Territories in the Pacific, which visited the Territory in April and May of 1950. The Mission stated that the main administrative difficulty was that of the great distances that exist between the Territories and the inevitable expense of administering the scattered communities in so many areas. The inhabitants of the island groups had little in common and differed considerably in their degree of advancement. Another difficulty was the fact that the islanders had been subjected during the last half century to no less than four alien governments - Spanish, German, Japanese and lastly American. Moreover during the World War II, the economy of the Territory had been disrupted, and the mode of life of its inhabitants dislocated.

/In view

In view of the Territory's lack of resources, the present laudable rate of development could be maintained only if the United States continued its generous aid.

At both its fifth and seventh sessions, the Council congratulated the Administering Authority on the progress achieved in all fields, which was all the more notable because of the scattered nature of the islands comprising the Territory and the relatively short time during which they had been under the administration of the United States.

II. POLITICAL ADVANCEMENT

General political situation

General administration

All powers of government and jurisdiction and final administrative responsibility over the Territory are vested in a High Commissioner, who is subject to direction by the Secretary of the Navy. In the past this office has been held by the Commander-in-Chief of the United States Pacific Fleet, and a Deputy High Commissioner has acted as his chief executive officer. The Territory is divided into four sub-areas, each headed by a Governor who is responsible for policy control and for co-ordination between the Civil Administration and other activities. The detailed work of administration is carried out by five Civil Administration Units with headquarters at Saipan (Northern Marianas), Koror (Western Carolines), Truk (Eastern Carolines), Ponape (Eastern Carolines), and Majuro (Marshalls). Almost all the classified positions in this administrative structure are held by non-indigenous personnel, the majority in fact being naval officers on active or inactive duty.

Local government

The Administering Authority states in its latest report that it has consistently fostered the political advancement of the inhabitants, but points out that so far the greatest development has taken place at a local level. The Territory is divided into 116 municipalities, which, under the guidance of the Civil Administration, have responsibility for local law enforcement, particularly with regard to sanitation and education, for the levying, collecting and expending of local taxes and for keeping financial records and records of vital statistics. These municipalities are differently constituted in various parts of the Territory. In 68 municipalities, the executive head (usually called the Magistrate) is elected by the people, in 20 he is appointed by the Administration after consultation with community chiefs and elders, and in 28 municipalities, where the people prefer it, the hereditary chiefs have been recognized as Magistrates.

The policy of the Administering Authority in this field was commended by the Trusteeship Council at both its fifth and seventh sessions, but on each occasion it recommended that the Administering Authority should proceed progressively to democratize the municipalities.

/The Visiting

The Visiting Mission to Trust Territories in the Pacific, which visited the Territory in April 1950, noted the differences in the attitude of the indigenous inhabitants towards their traditional leaders. The Mission expressed the opinion that no one type of local authority would be satisfactory and that any attempt to impose one would cause passive opposition and social disruption. In the meantime by educational and other opportunities the Administering Authority was both creating a desire and furnishing the means for future political progress. The success to date of the programme was the best evidence of its soundness.

The Mission, referred in this connexion to a petition^{1/} from the chiefs of the Marshall Islands requesting that Marshallese customs should not be destroyed and that municipal councils should not interfere with the chiefs' wills or rights. The Mission felt that this was a matter for the Marshallese themselves to decide, but, while considering that certain traditional customs would disappear, it hoped that it would be possible for the people to preserve valuable features of their traditional culture and harmonize them with modern institutions.

The Administering Authority in its latest report expresses similar views and points out that during the past two years an increasing number of municipalities have begun to choose their local officials through electoral procedures.

Regional organs

On a regional or district level the Administering Authority considers that advances in the field of self-government have been proceeding more slowly and instances linguistic and cultural differences and lack of communications as factors to be overcome. Thus far, such organizations as exist possess only advisory powers.

In a number of districts, there exist regional councils or congresses. The most advanced of these, the Palau Congress, has functioned since 4 July 1947 and consists of both hereditary and elective elements. The first organized session of the Marshallese Congress opened on 4 July 1950. This Congress consists of a House of Iroij (Chiefs) and of an elective House of Assembly. The latest report also mentions the establishment in the more conservative community of Yap of a Young Men's Council to supplement the existing Council of Chiefs.

In the Ponape district, it is probable that an elective Congress will be established shortly. In the Saipan District, the people have indicated their desire to form a governmental body, but no agreement has been reached as to its form. In the Truk District, the Administering Authority states that the establishment of a District-wide political organization will have to be held in abeyance until community leaders have a broader understanding of democratic governmental responsibilities. A premature organization for Truk atoll has had to be discarded.

At its fifth session, the Council recommended that the Administering Authority should increase its efforts to develop regional governmental organs on a representative and elective basis and in view of the relatively advanced state of the people of the Northern Marianas specifically recommended that the Administering Authority should press forward with the establishment of a regional council in that area.

In its latest report the Administering Authority, in addition to the information on this matter referred to above, stated that as the people mastered the techniques and processes of legislation, the Congresses would be given more authority. The reason why it had not been able to establish a Congress in the Saipan District was that the Charter proposed by the inhabitants proposed a Congress which would have full legislative powers and would be in effect the full organ of government. Although the Saipanese had made excellent progress in political development, the Administering Authority did not believe that they were ready to assume such broad powers of Government. However it was anticipated that within the next year that the people of Saipan would avail themselves of the same opportunity for expression enjoyed by the Palauans and the Marshallese.

Legislative body for the Territory

There is no legislative body for the whole Territory. The Administering Authority states that such a body is included in its long term plans, but that problems of transportation and communications and, even more important, linguistic and cultural differences must first be overcome.

At its fifth and seventh sessions, the Council adopted recommendations on this subject to the effect that the Administering Authority should press forward with its long range plans and that in the initial stages it should endeavour to bring representatives of the indigenous population into the territorial government, if only in an advisory capacity.

/In its

In its latest report, the Administering Authority stated that appointed indigenous representatives from all districts attended a civil administration conference held in Guam in October 1949, primarily to discuss economic matters. While this group could not, in a strict sense, be considered a legislative group, representatives had been given the opportunity of discussing local attitudes and problems. Results of this conference had been gratifying and indicated that meetings of this nature might soon develop in the people a sense of responsibility in matters of Territorial interest.

Status of the Territory and its inhabitants

There is as yet no organic legislation for the Territory. A draft law was introduced into the Eightieth Congress, but no action was taken upon it.

At its fifth and seventh sessions the Council noted that such legislation was under consideration and expressed the hope that it would soon be enacted.

In its latest report the Administering Authority states that the proposed organic act has recently been reviewed with a view to submitting a new draft to the present Congress.^{1/}

The indigenous inhabitants have at present no legally defined status, but are described unofficially as "Citizens of the Trust Territory". The Administering Authority states that their national status will be legally defined in the organic act.

The Visiting Mission received two petitions which contained indications of the wishes of some of the indigenous inhabitants about their future status. The House of Council and the House of Commissioners of Saipan in their petition^{2/} expressed the hope that all of the Northern Marianas would be incorporated into the United States of America either as a possession or as a territory, preferably as a territory, and that the inhabitants would attain American citizenship. They felt that their close cultural ties with the Guamanians, who were to be accorded American citizenship, justified this request, which they intended to make to the Congress of the United States. The people of Rota (Luta) in the Northern Marianas submitted a petition^{3/} in which they expressed apprehension

^{1/} The Secretariat is unable to determine whether the eighty-first, or the eighty-second Congress is meant.

^{2/} T/PEF.10/5.

^{3/} T/PEF.10/1.

that a Trust Territory flag might supplant the United States flag. The Mission mentioned other statements along the lines which had been made at meetings which it had held in various parts of the Territory.

The Mission considered that this preference for a close association with the United States was based on a variety of motives. In particular, it stressed the lack of continuity experienced by the indigenous inhabitants, due to the repeated changes in administration during the past half century, and the resulting desire for peace, security and political stability. While extending a sympathetic interest to the wishes of the islanders for a permanent settlement of their political problems in due time, the Mission limited itself to recommending that the Administering Authority should take action as soon as possible to define their legal status along the lines indicated in Article 11 of the Trusteeship Agreement.

Seat of government

The Headquarters of the Trust Territory government was formerly established at Guam, Mariana Islands.

At its fifth session, the Council noted that the Administering Authority was giving consideration to the possibility of transferring the seat of government from Guam to a site in the Trust Territory.

In October 1949, the Deputy High Commissioner and the majority of his staff moved to Pearl Harbor, Territory of Hawaii. The Chief Justice and a number of departmental heads and technical specialists remained in Guam until 1 July 1950, when field headquarters were established at Truk.

At its seventh session the Council noted with gratification the establishment of a field headquarters on Truk and requested the Administering Authority to continue to give consideration to the possibility of placing the seat of government within the Territory itself, in accordance with its previous recommendation.

At Koror in the Palau district the Visiting Mission received a petition^{1/} requesting that the proposed Trust Territory Capitol should be located at Koror. The petitioners enumerated a number of reasons for selecting Koror as the site of the capitol of the Trust Territory.

^{1/} T/PET.10/2.

The Visiting Mission was informed that no decision concerning a transfer of the headquarters of government to the Trust Territory had been taken. In its view the most suitable site inside the Territory would be Truk, since, in addition to advantages other areas also possessed, it had the great advantage of a central location.

Proposed transfer of the administration to the Department of the Interior

In July 1947 when the Trusteeship Agreement came into force, the President of the United States designated the Secretary of the Navy as the agency responsible for the civil administration of the Territory on an interim basis until such time as a civilian department or agency should be designated to assume permanent responsibility of the government of the Territory.

The Visiting Mission was informed that July 1951 had been set as a tentative date for formally transferring the administrative responsibility from the Navy to the Department of the Interior.

The Mission considered that many of the problems of the Territory required long-range planning and could hardly be solved by an interim administrative agency. It pointed out, however, that a serious dislocation would occur if all naval facilities were abruptly withdrawn and hoped that some, at least, of the naval officers who had given such excellent service to the Territory might be persuaded to stay on under the new regime.

III. ECONOMIC ADVANCEMENT

General situation

The natural resources of the Territory are meagre and in general little more than a subsistence economy exists. The main export crop is copra; the value of the copra exported in the year under review was \$796,714.92.^{1/} The only other export of consequence is the phosphate mined by a Japanese company at Angaur. Exports in the year under review amounted to 134,741 long tons of a nominal value of \$671,578.31.^{2/} Other sources of money income for the indigenous inhabitants include employment by the Administration and at military installations, the production of handicraft, the gathering of trochus shell, and in the case of the Northern Marianas the export of fish, fruit and vegetables to Guam.

The Council at its seventh session recommended that the Administering Authority should continue its efforts to diversify the economy of the Territory.

The Visiting Mission reported that the people of the Territory are conscious of a lack of a sufficient money income. At every centre visited by it, it was asked to see what could be done to remedy this. This situation was most marked in the Palau Islands, and while at Koror, the Mission received a petition^{2/} from the Palau Congress, which contained a request that technical experts should be sent in managing and advisory capacities to improve the methods and progress of production of their industries.

The Mission was assured by the Administering Authority that every effort was being made to develop the existing resources and to find new resources to exploit. The Mission considered that small-scale indigenous enterprises would undoubtedly be aided by the financial support made available by the Island Trading Company, but it could not escape the impression that, with the exception of deep sea fisheries, there were no important fields for investment within the Territory.

In its latest report, the Administering Authority stated that the economic situation was improving slowly, but the creation of a self-sustaining economy was still in the distant future. Even under the most favourable circumstances the Territory could never be rich, and financial self-sufficiency would be retarded for

^{1/} There are discrepancies between the figures in the report and those in T/808.

^{2/} T/PET.10/2.

many years to come by the cost of modern administrative and social services.

Nevertheless, the Administering Authority was, with the enthusiastic co-operation of the inhabitants endeavouring to diversify the agricultural, industrial and commercial life of the area. Scientific studies into current economic problems were being carried out. Wherever assistance was necessary to improve agriculture, specialists were made available and seeds and fertilizers were supplied. Saipan had become the principal centre for animal husbandry and for the redistribution of cattle. Light industries, of which the making of handicraft was the most important, were being developed. Boat building had assumed an important position in the Marshall Islands, where the people were converting Navy surplus craft into sailing vessels for use in inter-island shipping. Since January 1950, a total of 89 of ex-Navy hulls had been distributed throughout the Territory for this purpose.

In March 1950, the Island Trading Company had established from its accumulated profits an Economic Development Fund of \$100,000^{1/} to be used to promote and diversify economic activities. Enterprises now authorized to receive aid from this source included boatbuilding, commercial fishing, soap manufacturing and the production of cocoa, papain and ramir.

Public finance

The amount available for expenditure during each fiscal year consists of the funds appropriated by the United States Congress and that portion of current and past locally derived funds which Congress approves for spending. This does not necessarily correspond with local revenues in any one year. The following table shows the amounts involved:

	<u>1948</u>	<u>1949</u>	<u>1950</u>	<u>1951</u>
Appropriated funds	\$1,021,656	\$1,125,000	\$795,000	\$1,014,000
Local funds for which approval granted by Congress for use in meeting costs of administration		275,000	605,000	310,000
Total	1,021,656	1,400,000	1,400,000	1,324,000

In addition to the sums appropriated by Congress, the Territory receives even greater but invisible financial benefits, in the form of transportation and

^{1/} \$ = U.S. dollars.

/other facilities

other facilities provided by the United States Navy.

The following table shows the expenditure by programmes:

	1948	1949	1950	1951
General Administration	\$164,524.27	\$168,115.28	\$151,267.81	\$165,000.00
Legal & Public Safety	85,837.92	110,473.07	125,298.64	170,000.00
Public Education	168,177.00	338,048.49	376,520.00	390,000.00
Commerce, Industry & Agriculture	83,664.41	140,001.73	112,237.97	100,000.00
Medical Care, Public Health & Sanitation	249,862.02	385,417.90	295,811.46	289,000.00
Public Works	198,071.46	242,398.77	180,946.93	210,000.00
Total	950,137.08	1,384,455.24	1,242,082.81	1,324,000.00

The principal Territorial Taxes are internal revenue taxes on cosmetics and cigarettes and tobacco (which yielded \$28,593.76 in the last fiscal year) and a 15 per cent ad valorem processing tax on copra sold or exported (which yielded \$109,956.34). There is a head tax of \$2 per annum payable by each male resident between the ages of 18 and 60, but this is collected and expended by the municipalities, which also levy a variety of fees and luxury and property taxes.

At its fifth and seventh sessions, the Trusteeship Council adopted recommendations to the effect that the Administering Authority should consider the ultimate abolition of the head tax and its replacement by a more progressive system of taxation.

The Visiting Mission considered that regardless of what changes were made in the taxation system, there appeared little possibility of the Territory substantially increasing its revenue unless there were also substantial increases in the per capita income. The Mission suggested, therefore, that any more equitable taxation system which was devised would still be inadequate unless the general economy of the Territory was improved, and it hoped that consideration of ways and means of doing this would continue.

In its most recent report, the Administering Authority states that if it is determined by the proper authorities that payment in money of a tax levied would cause undue hardship on an individual he may work off the tax by labour at rates currently established by the Civil Administration.

Japanese Currency, Bonds and Savings

During the occupation of the Trust Territory by American armed forces the inhabitants were ordered to turn over to the military authorities all Japanese

/currency

currency they possessed. Each individual was reimbursed at the rate of one dollar for twenty yen, for a maximum of one thousand yen. Receipts were given for sums received in excess of this maximum with, it is alleged, a promise that these would be redeemed in dollars at a later time. The inhabitants also hold Japanese bonds and postal savings purchased during the Japanese regime.

At present the indigenous inhabitants are concerned about the redemption of these bonds and savings and the yen currency they had at the time of the occupation. In one petition presented to the Visiting Mission they requested that the peace treaty with Japan include inter alia provision for the settlement of postal savings claims.^{1/} In another petition they desired to know when action would be taken concerning the redemption of Japanese currency which had been turned over to the American government.^{2/}

The Mission was informed by administrative officials that the United States government had never authorized a promise to redeem Japanese currency. Sums given the indigenous inhabitants during the military occupation were a rehabilitation measure in order to provide for urgent needs. The Mission considered the Japanese bonds and savings a responsibility of the Japanese government.

It felt that a misunderstanding may have been created by the fact that when the yen currency was collected, dollars were distributed in order to provide the people of the Islands with money to meet their more urgent needs. It felt that although the Administering Authority had no legal obligation to redeem Japanese currency, it would be well advised to reconsider the whole question in a sympathetic spirit. It felt that the inhabitants' claims for redemption of Japanese bonds and savings were reasonable and valid and that the Administering Authority would no doubt press such claims and insist that they be taken fully into account in the peace treaty with Japan. It considered that the inhabitants of the Trust Territory should be informed of what was being done toward reimbursing them for their losses in bonds and postal savings.

Trade

The following table gives the exports of the Territory during the year under review:

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- 1/ T/PET.10/2.
2/ T/PET.10/6.

/Per cent to

Exports	Amount	Per cent to			
		Japan	South America	Canada	United States
Copra ^{1/}	\$796,714.92	36	45	11	8
Handicraft	77,201.97				100
Trochus	45,650.96	100			
Phosphate ^{2/}	671,578.31	100			
Fruits and vegetables	25,314.30				100
Fish	11,815.20				100
Others ^{3/}	15,905.28				100
Total	1,644,180.94				

During the same period imports were estimated at \$1,347,901.26.

The major part of the import and export trade of the Territory is handled by the Island Trading Company of Micronesia, which is wholly owned by the Government of the Territory. It operates in all parts of the Territory except the Saipan District, buying the copra and other produce of the indigenous inhabitants and supplying trade goods on a wholesale basis. During the fiscal year of 1950 the trade goods sold amounted to \$1,152,027.51 and the cost price of island products purchased was \$920,801.41, the net profit on these transactions being \$89,611.96. In addition to the Island Trading Company there are a number of indigenous trading companies, the shares in which are widely held throughout the area in which they operate. It is intended that they should eventually replace the Island Trading Company but in the meantime they purchase most of their trade goods from that organization and act as middlemen between it and the small indigenous retail stores. In the Saipan District, there are a considerable number of small businesses of the most varied kinds.

From its discussions with officers of the Island Trading Company the Visiting Mission learnt that the foreign trade of the Orient was being carried on increasingly with countries of the Orient, particularly Japan, from which the Island Trading Company purchased goods to the value of \$174,374.76 during the year

^{1/} Valued at price realized by original producers.

^{2/} Valued at price of Florida phosphates FOB mines.

^{3/} Others include charcoal, canoes, sponges, trepang, molasses, coconut oil, tortoise shell.

under review. The Mission referred in this connexion to a paragraph in the petition of the High Council of Saipan^{1/} emphasizing their economic difficulties resulting from the closing of military installations and suggesting trade, if necessary on a barter basis, between their island and Japan. The Mission suggested that the Administering Authority should give this matter consideration.

Land

The indigenous inhabitants hold about 240 square miles of land and the Administering Authority about 450 square miles, including public domain and land under cognizance of the Alien Property Custodian. The exact extent of this land depends upon the outcome of numerous pending claims by private individuals and groups. The policy of the Administering Authority is that land formerly owned by the Japanese Government or its agencies, by Japanese corporations, or by Japanese nationals is being treated as public domain. Former owners of lands, which were taken by the Japanese Government or by private individuals without compensation, will be reimbursed. Where only partial compensation was paid adjustment will be made on an equitable basis. Where privately owned lands are required for military purposes the owners will be compensated for the use of the land. Exchange of private land for public domain will be made where feasible. Many owners whose land is held by the government or has been destroyed by military installations have been given permits to farm government land. No payment is required for the use of such land and any rental which is decided upon will be charged against the compensation which may be granted owners of land now held by the government or destroyed by military installations.

The Administering Authority has an active programme for the reconstruction of land records and land boundaries, and the homesteading of public domain lands. It is expected that an increasing number of land title cases will be settled within the next year, but that the general problem will be a continuing one for several years to come.

The settlement of their land problems was one of the most frequent requests made by the people of the Territory to the Visiting Mission. This appeared in a number of petitions^{2/} where formal requests were made for the settlement of land

^{1/} T/PET.10/6.

^{2/} T/PET.10/2, T/PET.10/6, T/PET.10/7.

claims, including war damage to land, reestablishment of boundaries, compensation for military occupation of land, and lands forcibly taken through sale or seizure by the German and Japanese Governments. Dissatisfaction was registered with the permits to farm government land given to persons whose land had been rendered unfit for farming by the building of military installations. Such permits are revocable at any time and the inhabitants desire to have legal ownership in order to plant trees and establish permanent farms. It was also hoped that the homestead plan proposed by the Civil Administration to provide land for landless residents would be approved and put into effect.

The Mission, due to the importance which it attached to the question of land claims and to the fact that five years had elapsed since the conclusion of hostilities, felt that a solution of such claims should be arrived at in a reasonably short period of time, and that every effort should be made to expedite matters, including an expansion of the land Titles Court, if it was considered that as it is presently constituted the court was inadequate to deal expeditiously with the task.

It recommended that the Trusteeship Council request the Administering Authority to keep it informed of all measures taken to settle the land problems of the indigenous inhabitants and to ensure such an improvement in the system of land tenure as would give them a feeling of complete security.

Phosphate

The phosphate deposits on Angaur Island in the Palaus are being worked for export to Japan by the Japanese Government under the supervision of the Supreme Commander for Allied Powers (SCAP). Four hundred and five labourers, mostly Japanese, mined 134,741 long tons of phosphate, valued at \$671,578.31, during the past year. The amount of phosphate still to be worked is not very large. The figure given to the Mission was 600,000 tons.

At its fifth session the Council, noting with concern that, in spite of the recommendations of the United States Commercial Company in 1946 that the entire output of the Angaur phosphate mines should be retained as soon as possible for use within the Territory, arrangements to export the entire estimated tonnage of phosphates to Japan are still in force, and noting further that apart from a royalty of 25 cents per ton, the Trust Territory derives no benefit even from a processing tax from the phosphates, recommended that the Administering

/Authority

Authority should subject this arrangement to further review and, in the light of this review, reassure the Council that the interests of the Territory and its inhabitants have been safeguarded.

The conditions under which the phosphate is mined have been changed as a result of an agreement dated 21 December 1949 and a supplementary agreement dated 16 July 1950 between a representative of SCAP, a representative of the High Commissioner and representatives of the Angaurese. The Trust Territory is to receive a processing tax of 15 per cent ad valorem, and a severance fee of \$2.00 a ton is to be paid into a trust fund for the permanent inhabitants of Angaur. Payments are to be made from this fund at a minimum rate of \$15,000 per annum, two-thirds to the clans owning the land and one-third to the municipality of Angaur for distribution to clans possessing no phosphate land and for municipal purposes. The new agreements also provide for supervision by hydrological experts and for the filling and reclamation of worked out land.

The Mission considered the new phosphate agreement a very commendable one and hoped that there would be no delay in commencing payments to the Angaurese.

The Visiting Mission, noting that some Angaurese wished for employment in the phosphate industry, considered that they should have priority of employment, and should replace Japanese unskilled labourers as the existing contracts of the latter expired.

Copra

The production of copra is the principal economic activity of the islands. However, coconut trees were considerably damaged during the war and even more so by insect pests. The rhinoceros beetle has destroyed most of the coconut trees in the Palau islands and the Mariana coconut beetle has brought about a similar state of affairs in the Marianas.

In its petition,^{1/} the Palau Congress requested a programme for the control and extermination of the rhinoceros beetle.

The Visiting Mission stated that though the ravages of the beetle had not been completely checked, the Insect Control Committee for Micronesia had had encouraging success in its efforts to bring this and other pests under control.

The average price paid for copra during the year was \$80. Due to a rise in world prices, the price was increased in February 1950 to \$90 per ton. An

allowance of \$2.50 to \$7.50 per ton is also made on copra delivered to District warehouses by locally operated vessels and a differential of \$5 per ton is paid for delivery to Island Trading Company warehouses. In addition, a 15 per cent processing tax is paid by the Island Trading Company to the Trust Territory on all copra exported.

At its fifth session the Council, noting the arrangements at present in force for the purchase of copra by the Island Trading Company, recommended that the Administering Authority keep these arrangements under constant review in order to ensure that the interests of the copra producers are safeguarded by receiving a fair return for their industry.

In one petition^{1/} presented to the Visiting Mission a request was made for an increase in the price paid for copra. Complaints were also made elsewhere concerning the price paid for copra and the fact that a charge was made for copra bags.

The Mission believed that many of the complaints it heard on this subject were due to an understandable failure to appreciate true economic costs. It was convinced that the price actually paid by the Island Trading Company for copra was based on the world market price less costs actually incurred in handling the copra and less also a 15 per cent ad valorem tax paid to the Territorial Treasury. However, since coconut oil from the Territory or copra produced there is subject to a tax of 2 cents per pound when sold in the United States, and Trust Territory copra accordingly must find markets abroad or suffer a reduction in price in the United States, the Mission suggested that the Trusteeship Council should invite the Administering Authority to consider revoking this tax and to review the price paid to the growers for copra from time to time to see that it bears a proper relation to the world price. The Mission considered that advantage should be taken of any future rise in the price of copra to abolish the charge for copra bags and institute a net price, thus ending a source of misunderstanding.

The Administering Authority has supplied the following information on this subject:

"In the twelve-month period ending June 30, 1950, indigenous producers of copra sold 9,720 tons of copra for \$845,640, or an average price of \$87.00 per ton. Copra prices c.i.f. Pacific Coast United States ports ranged during

the year from \$140.00 to \$210.00. An analysis of the Island Trading Company copra trading account shows the following breakdown of the Island Trading Company copra dollar:

<u>Selling Price</u>	<u>100.0 Cents</u>
Paid to Producer	53.2 cents
Selling Expense	1.6 "
Shipping Expense	9.8 "
Administrative Expense	7.3 "
Trust Territory Taxes	8.1 "
Copra Stabilization Fund	4.2 "
Net Profit	<u>15.8 "</u>
	100.0 cents

"During the above period, the Copra Stabilization Fund was in operation only from January 1, 1950. Had it been in operation for the entire period, the contribution would have been proportionately larger. Because of improvement in the world price of copra, the price of copra delivered at Island Trading Company field warehouses was increased from \$80.00 to \$90.00 per ton."

Fisheries

Reef and lagoon fish supply ~~all local~~ requirements and provide limited amounts for export. Fish from the seas surrounding the islands provide a potentially important industry the establishment of which would require large capital investments and extensive research and training of skilled fishermen and operators. The Administering Authority has provided vessels and equipment where needed for subsistence fishing and, also, where the inhabitants indicated a desire to fish commercially. Commercial fishing is not important in the Territory, the largest company being the Saipan Fishing Association with three small vessels. At present the Saipanese are being aided in setting up ice making and refrigeration facilities to preserve their catch for transport to Guam. The long-term objective of the Administering Authority is to develop a commercial fishing industry, based primarily on the tuna resources of the Territory, under such conditions as will result in the maximum ultimate benefits of the inhabitants.

At its fifth session the Council urged the Administering Authority before granting any permits to outside fishing companies to develop the marine resources of the Trust Territory, to explore again the possibility and practicability of developing the fishing industry as a purely indigenous

/enterprise

enterprise with assistance from the Administering Authority itself.

Nearly everywhere the Visiting Mission went it received requests for assistance in establishing a deep sea fishing industry. In a petition^{1/} presented at Palau, the formal request was made for experts to aid in organizing deep sea fishing.

The Mission was not unaware of the reasons which prompted the Administering Authority to exclude the Japanese from fishing in the waters of the Territory, but gathered the impression that this exclusion was effectively preventing the development of deep sea fishing there since Japan (or Okinawa) appeared to be the only source able to provide the skilled personnel for such fishing. Japan also was the only country with an immediate prospective market, for the great distances and costs involved preclude any possibility of selling fish in the already overstocked American market, or of inducing American or European fishing interests to enter the Territory when they could operate more economically nearer their markets. Any hope therefore, of developing these potentially great resources would require the establishment of markets in the Orient, particularly in Japan.

It accordingly suggested that the Administering Authority should consider (if politically practicable) lifting the ban on Japanese participation in fishing on such conditions as would ensure an adequate participation by the indigenous inhabitants of the Territory in the industry. This suggestion was prompted by the fact that fishing appeared to be the only industry of importance which had definite possibilities for future development in the Territory. The Mission was aware that the Administering Authority would have to police the industry carefully to see that indigenous interests were well protected.

1/ T/PET.10/2.

IV. SOCIAL ADVANCEMENT

General

The Administering Authority states that the betterment of social conditions in the Territory is based on its continually expanding programmes for the development of self-government, economic self-sufficiency, medical care and education. These programmes together with the indigenous social systems, provide the necessary guarantees for social welfare and social security.

A Staff Anthropologist, stationed at Field Headquarters, together with five additional Anthropologists attached to each Civil Administration Unit, continually review basic social customs and conditions. The Anthropologists advise the Civil Administrator and Welfare Officer in each district who have the immediate responsibility for the social welfare of the people.

The Administering Authority points out that, in addition to the work of anthropologists, social problems receive other forms of technical attention such as the complete ecological survey of Arno Atoll in the Marshalls to determine the carrying capacity of a typical atoll.

The Administering Authority feels that there is no apparent need for further extension of social service work in the Trust Territory since the problem of social security is solved by the people themselves and investigations have uncovered little reason for the Administration to enter the field or make plans for its improvement.

Labour

Due to the subsistence economy, all but a few of the people are engaged in farming and fishing. Scarcely 2,000 persons are gainfully employed for wages. There have been no instances of indigenous inhabitants leaving the Territory in search of employment apart from the movement of small groups to Guam.

The Visiting Mission received a petition^{1/} in Palau requesting that unemployed inhabitants of the Trust Territory be authorized employment under contract by the military in Guam and Okinawa where a shortage of labourers existed. The Mission, informed by the Administering Authority that no shortage of labourers existed in the places mentioned, suggested that this fact should be brought to the attention of the petitioners.

1/ T/PET.10/2

Status of Women

Ordinarily women, although they have equal rights in voting and are encouraged by the Administering Authority to participate in democratic processes, take little active part in government. Two, however, are now members of the Palau Congress. Women have eagerly sought the chance for selection and training for government service in nursing and teaching.

At its seventh session the Council, noting with satisfaction the election of two women to the Palau Congress, expressed the hope that the Administering Authority would encourage increasing participation by the women of the Territory in the discussion and management of island affairs.

The Administering Authority states that it encourages the participation of women in the management of local affairs and notes an increasing desire on their part for such participation.

Population movements

The ex-Bikini people have been settled on the island of Kili. The Magistrate of Kili reported to the Visiting Mission that the present economy of the people, which differed from their traditional one at Bikini was insufficient to enable the people to pay municipal taxes, and such things as medical fees and teachers' salaries and that they needed more help at present in order to do so.

The Visiting Mission considered that the people on Kili had encountered hardships which arose directly from their willingness to co-operate with the Administering Authority and relinquish their home atoll and thus merited the special attention of the Administration. They deserved the assistance they were receiving, as well as any other assistance which might be necessary to enable them to make a satisfactory and happy adjustment to the new conditions facing them.

The Administering Authority, after investigations, considered that the present indications of restlessness among the people stemmed from their wish to break away from established Marshallese customs of land ownership and use. It felt that problems of this nature, which arose from within the social organization of the people, should be reconciled by the indigenous groups concerned with the aid of the Administration. Development of this situation would be carefully watched by the Administering Authority.

(Further observations, if any, by the Administering Authority)

(Observations and Recommendations, if any, by the Council)

/Standard of

Standard of living

No cost of living surveys or indices or family living studies have been conducted. Such studies have not been deemed practicable by the Administering Authority since a money economy does not prevail in the Territory.

The standard of living varies throughout the Territory; the Administering Authority stated that it was improving in proportion to developments in the fields of education, health and economics.

At its fifth session, the Council noted that living standards were still below pre-war levels and recommended that practicable steps be taken further to raise the standard of living.

The Administering Authority pointed out that education and health standards were better than before the war. While the standard of living was still below pre-war levels in communities which were near Japanese centres and thus had depended directly upon a money economy, it was at least up to pre-war levels in outlying islands. The Administering Authority felt that the greater opportunity for wage employment and sale of local products under the Japanese economy should be weighed against the freedom now enjoyed by the inhabitants and the fact that large numbers of non-indigenous persons no longer used the major portions of the local resources.

The Mission noted the beneficial changes in living standards of the people resulting from occupation by the American armed forces during and after the war, particularly in employment, rehabilitation and welfare programmes, barrack housing, road building and medical attention. From their contact with the Americans, the indigenous people had acquired new desires and expectations of a higher standard of living than the one to which they had been accustomed.

Nutrition

The island diet, consisting primarily of fish, taro, sweet potatoes, yams, manioc, breadfruit, coconuts and corn, is supplemented occasionally by chicken, fresh pork or beef, and such imported items as canned milk, canned meats, fish, flour, lard and sugar. A programme to provide school children with supplementary foods has begun.

The U.S.S. Whidbey has been combining a survey of nutritional standards in the Territory with its medical survey; of the 11,091 people examined in the last year, only 140 were found to be suffering from malnutrition.

/At its seventh

At its seventh session the Trusteeship Council in Resolution 300 (VII), on the improvement of nutrition in Trust Territories, invited Administering Authorities to continue to explore, in co-operation with the specialized agencies of the United Nations, and also with competent scientific bodies, the possibility of utilizing and expanding the latest scientific methods in the improvement of nutritional standards among the inhabitants of Trust Territories.

Housing

No legislation affecting housing or town planning was enacted during the year. The Administration noted, however, that housing conditions continued to improve. Construction suitable for the climate is recommended by it and often, when necessary, material assistance is given.

In the more populous areas houses of thatch construction are gradually being superseded by those of frame and corrugated iron, patterned after small Western-style dwellings, but progress in the building of these more adequate homes has been hampered by a lack of material.

A model village of homes and public buildings is under construction on Ebeye Island for the Marshallese who work on Kwajalein Island.

Public Health

The general objectives in public health are to control preventable diseases and to elevate health standards. Although this is a long-term programme, the Administering Authority feels the work accomplished each year is bringing these aims closer to realization more rapidly than it originally believed possible.

Non-indigenous medical personnel for the year under review, including 14 physicians and 7 dentists, totalled 52. Residents of Micronesia employed by the Medical Department of the Territory, including 11 medical and dental practitioners and medical assistants, totalled 259.

Schools for training medical and dental assistants and nurses are located at Guam. During the year under review, there were 38 students in the School of Medical Assistants, 25 in the School of Dental Assistants, and 43 in the School of Nursing. The schools for medical and dental assistants offer four year courses and the nursing school course is three years.

The Guam Memorial Hospital treats special or difficult cases and the Tinian Leprosarium has facilities for 100 lepers. In addition to these and the work of the medical survey ship now operating in the Territory, there are 5 unit

/dispensaries and

dispensaries and 3 sub-dispensaries with facilities for in-patients; 94 sub-dispensaries for out-patients; and 7 logistic ships serving as mobile clinics.

Approximately 23,000 people have been processed to date by the staff of the medical survey ship, the U.S.S. "Whidbey", which is travelling from island to island making a health survey of the Territory. The survey of the Northern Marianas, Western Carolines and part of the Marshalls has been completed; the remaining area of the Territory is to be completed in 1950. During the past year 26 islands were surveyed and 11,091 physical examinations were given.

The Visiting Mission was especially impressed by the attention devoted to public health in the Territory. It noted that due to the fact that the Administering Authority did not hesitate to spend large sums - which yearly have exceeded those devoted to any other item of the budget - in order to provide the necessary medical facilities, excellent progress had been made in solving one of the Territory's most urgent problems. It felt that the facilities of the U.S.S. Whidbey, the Civil Administration Dispensaries located at the various District Headquarters, and the newly established leprosarium on the island of Tinian rendered the most modern diagnostic and therapeutic medical services.

It concluded that the health programme had apparently won the confidence and approval of the people, for no requests were received anywhere concerning it except at Truk. Here although gratitude was expressed for the dispensary and general medical services, a request was made for a separate hospital for tuberculosis. The Mission felt, concerning this request, that the Public Health Service was quite aware of the needs of the Territory and that it was the best judge of what should be done and of where further medical facilities should be established. It considered that the excellent work of the Public Health Service merited approval.

At its seventh session the Council commended the Administering Authority on the great progress achieved in the field of public health, and considered that the statistical information to be derived from the medical survey undertaken by the Administering Authority would be of great value.

Prohibition of Liquor

The Visiting Mission received a petition submitted on behalf of 264 women of Palau requesting that the manufacture of alcoholic beverages be forbidden in Palau.^{1/} The Mission was informed by the Administering Authority that the

^{1/} T/PET.10/3

manufacture of an alcoholic beverage named saki was permitted for home consumption and for customary feasts, but that manufacture for sale was prohibited. It also learned that each municipality had the power to prohibit the manufacture of saki under any circumstances.

The Mission recommended that it should be pointed out in the reply to the petitioners that it was within the jurisdiction of each municipality of Palau to deal with the matter brought up by the petition.

Entry of Japanese Nationals

Immigrants must receive the special permission of the High Commissioner, in order to enter the Territory. This control of immigration into the Territory applies equally to all members of the United Nations including the United States.

In a petition^{1/} received by the Visiting Mission in Palau, permission was requested for the return of Japanese Nationals married to indigenous inhabitants, provided they renounced their Japanese citizenship.

The Mission recommended that the Administering Authority be invited to furnish a report (including the number of cases involved) on this matter in order to enable the Council to consider a reply to the petitioners.

1/ T/PET.10/2

V. EDUCATIONAL ADVANCEMENT

General

The Administering Authority considers that the success of the political, judicial, economic and social programmes for the Trust Territory is dependent upon the educational advancement of the people. Its educational objective therefore is to give the inhabitants an appreciation of the value of these programmes, the skill to participate in them, and the knowledge necessary to assume full direction of them at some future time.

A free public school system has been established in the Trust Territory to accomplish this end. More than 90 per cent of the children of school age are enrolled in schools; attendance is about 95 per cent of those enrolled. The department of education, located at the Headquarters of the High Commissioner at Hawaii, is directly responsible for the administration of the schools. In each district in the Territory and on the island of Yap, there is an educational administrator who is directly responsible to the civil administrator.

The department of education is advised in educational affairs by the Advisory Committee on Education for Guam and the Trust Territory. This Committee of educators from Hawaii makes recommendations concerning the professional and technical phases of public education and educational administration, reviews the progress of the programme, and screens candidates for teaching positions.

The Visiting Mission was favourably impressed with the objectives of the Administration in education and the progress achieved thus far. It felt that the primary purpose of education was to meet the needs of the people and, with respect to these needs, the resources and limitations of the Trust Territory could not be ignored. Expansion, the Mission stated, must be adapted to the place and the people.

The Mission called attention to various obstacles in the way of the present educational programme. The need for teaching a universal language, as well as the numerous Micronesian languages, required linguistic research, the translation of text books and the continuous development of teaching material, now being conducted by the Administration. Although teaching methods were being improved and expanded, the present language barrier would continue for some time. The Mission also noted the insufficient number of adequately trained teachers and the generally sparse and scattered population which made the maintenance of even an

/elementary

elementary school system with various grades difficult. Many local communities were hard pressed to pay the salaries of elementary school teachers; the support of intermediate and higher schools by these communities obviously would be impractical. The Administration had no alternative but to continue furnishing financial assistance.

Educational Expenditure

The expenditures for public education in the Territory for the fiscal year 1950 amounted to \$376,520 or 29 per cent of the total expenditures from United States appropriated funds and the Trust Territory treasury. In addition to such expenditures considerable amounts of surplus war materials were still being used. All facilities and materials of the public schools are free to the people of the Trust Territory. During the past year a total of \$85,934 was spent on scholarships for the students attending the six intermediate schools and the teachers training school and for one student attending the University of Hawaii.

Primary Education

Elementary schools, staffed by indigenous teachers, are in operation throughout the Territory, located in every major population centre or village. It is proposed that eventually these schools will attain a 6-year course of study; during the year under review they approximated the requirements of a 5-year programme of studies.

For the year 1949-50, the public school system included 130 elementary schools with a teaching staff of 221 teachers, and a total of 6,715 pupils. In addition to the public elementary schools, there were 14 mission schools, all at the elementary level, staffed by 63 teachers, with 1,439 pupils in attendance.

The Mission noted that the quality of the English spoken by some elementary school teachers left much to be desired; at the same time it recalled that English had been taught for only three years and in some cases less. The Mission also referred to the considerable variation in instruction programmes at the elementary level; it felt that this could be attributed to the isolation of many schools and the consequent difficulties of supervision and the fact that the salaries of village elementary school teachers were paid by the local municipalities.

Intermediate Education

There are six intermediate schools, located at the headquarters of each Civil Administrative District and at Yap, offering a 3-year programme of studies. A total of 626 students, of whom 94 are girls, attend intermediate schools which are staffed by 22 indigenous and 24 American teachers.

Transportation to such schools is furnished by the Administering Authority at the beginning and close of each term. Approximately 565 scholarships including subsistence and stipends to cover the cost of incidentals have been provided intermediate school students, and about 60 have paid their own expenses.

The programme of studies in the intermediate schools is either (a) terminal education for graduates of elementary schools and other students in subjects considered to be especially adapted to the needs of the District, including Teacher Training; (b) pre-professional education for students desiring higher education.

At its fifth session the Council recommended that the Administering Authority consider the possibility of establishing secondary schools in the Territory to meet its progressive needs.

In this connexion, the Administering Authority has referred to the advanced professional education available at the Pacific Island Teachers Training School at Truk (See Sections on Teacher Training and Vocational Training) and to the schools for medical and dental assistants and nurses at Guam. (See section on Public Health.)

In a petition^{1/} from the Palau Congress presented to the Visiting Mission, the people of Palau, noting that the present scope of education was limited to the training of medics, nurses, communications, and school-teachers, requested that facilities be provided for training in such subjects as government, economics, and law, of high school or college standards, and that sufficient funds be allocated for this purpose to ensure competent graduates in order to improve standards of living in the Territory.

The Mission recommended that the Trusteeship Council take note of the desire expressed by the petitioners for higher education, and of the fact that the Administering Authority was taking steps to provide the Territory with educational

facilities corresponding to its present and future possibilities.

Higher Education

No facilities exist in the immediate area for higher education for the people of the Territory other than the Pacific Islands Teacher Training School at Truk and the schools for medical and dental assistants and nurses at Guam. Students who meet the qualifications for American universities are eligible for scholarships from the Administering Authority, the universities and private sources.

At its fifth session the Council noted that the Administering Authority was sending promising indigenous students to Hawaii and the continental United States for higher education and urged it to continue doing so.

The Administering Authority, in this connexion, has referred to the 19 students attending schools during the year under review outside the Territory: 4 were at universities and high schools in the United States and Hawaii, 5 were at universities in the Philippines and 10 were attending high school at their own expense on Guam. In 1948, 4 students were attending schools in Hawaii and in the United States.

The Mission noted that there was at present no group of students prepared for higher education either inside or outside the Territory, due to the need for adequate elementary and intermediate training which must be obtained before further training could be undertaken. In the Mission's view this was a problem inherited from the Japanese regime which could only be solved in due time with the co-operation of the indigenous peoples.

Teachers and Teacher Training

The total number of teachers during the year under review was 338; of these, 271 were indigenous inhabitants.

In addition to the teacher training offered in the intermediate schools, the Pacific Islands Teacher Training School (PIITS) at Truk conducts a two-and-a-half-year course in teacher training; 69 students from the Territory were enrolled during the year under review. The second PIITS summer session opened in June 1950 with 83 teachers reporting for refresher training.

During the 1949 summer school, the Micronesian Educational Association was formed to further the professional standing of teachers and to supplement the

educational programme. More than one-half of the educational personnel were members of the Association.

The Mission noted that there were still insufficient adequately trained teachers. The need for teachers was so pressing that at present all seniors attending PTTS were graduated regardless of their scholastic record; it was realized that if some senior did not graduate some school would continue to have an even more inferior teacher.

Each municipality is responsible for the payment of the salaries of its elementary school teachers. In a petition^{1/} presented to the Visiting Mission by the High Council of Saipan, the petitioners noted that their source of money income would be largely cut off when employment by the Army and Navy ceased or was reduced to a minimum level and that they would be unable to pay the salaries of the teachers at the Chalan Kanoa school. They desired to know whether the Mission considered that the responsibility of providing elementary education should be undertaken by the Trust Territory rather than by the local communities.

The Mission was told that the lowest monthly salary presently paid to teachers in Saipan was \$75.00, and that this was above the income of inhabitants of corresponding status. It was told also that a reduction of this salary to \$50.00 was contemplated after the departure of the military personnel in order to reduce generally the cost of living.

The Mission noted that the Administering Authority was fully aware of the desirability of maintaining the present educational facilities, and also, of the difficulty which would be experienced by the local municipalities in raising the necessary funds, when their resources of income were reduced by the departure of military personnel.

Vocational Training

The facilities for teacher training and in the field of public health have been referred to in previous sections. A School of Communications was established at Truk in 1949 to train indigenous radio operators; 29 students were enrolled for the 3-year course during the year under review.

Training in other vocations has taken the form of apprentice training. This has produced drivers, mechanics, electricians, refrigerator repairmen, rodent and insect control squads, warehousemen, stevedores, road workers and painters.

Others selected on the basis of natural aptitude have received instruction in agriculture and basic business procedures.

The High Council of Saipan, in a petition^{1/} presented to the Visiting Mission, expressed the hope that the technical training offered by the Trust Territory would be continued and that it would be expanded to include more training in agricultural practices and other necessary trades such as seamanship and navigation, engineering and medical arts. It was the belief of the High Council that training in these fields would aid in building a sound economy as well as help fulfil the responsibilities of self-government.

The Mission noted in addition to this petition many requests for particular types of occupational training, such as agriculture, deep-sea fishing and technical training. After observing the conditions of island life and without prejudice to higher education for those who were qualified for it, it was convinced of the need for emphasis on such occupational training and felt that this should have a prominent place in any additional educational facilities which might be provided in the Territory.

Illiteracy

In a study of the illiteracy problem made in March 1950, the average percentage of illiteracy was computed as 25.1 per cent. Since the percentage of illiteracy is relatively low and slowly decreasing, the Administering Authority feels that the present educational programme is capable of solving this problem.

Mass Education by Means of Radio

Radio broadcasting has been developed at Truk, Kwajalein and Saipan and programmes for the indigenous population have been broadcast over these stations.

At its seventh session, the Council recommended that the Administering Authority consider the possibility of the greater use of radio for mass education.

The Administering Authority states that a major problem in the use of radio is the lack of available electric power and the very short life and high cost of dry cell batteries in wet climates. Until some simple, consistent source of power could be developed, the use of radio communications would be available to only a very small percentage of the indigenous population.